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ABSTRACT

This instructor guide for a unit on help for entrepreneurs in the PACE (Program for Acquiring Competence in Entrepreneurship) curriculum includes the full text of the student module and lesson plans, instructional suggestions, and other teacher resources. The competencies that are incorporated into this module are at Level 2 of learning--planning for a business in one's future. Included in the instructor's guide are the following: unit objectives, guidelines for using PACE, lists of teaching suggestions for each unit objective/subobjective, model assessment responses, and overview of the three levels of the PACE program. The following materials are contained in the student's guide: activities to be completed in preparation for the unit, unit objectives, student reading materials, individual and group learning activities, case study, discussion questions, assessment questions, and references. Among the topics discussed in the unit are the following: how entrepreneurs can use technical assistance, areas where assistance may be needed, sources of technical assistance, and use of networks. (KC)

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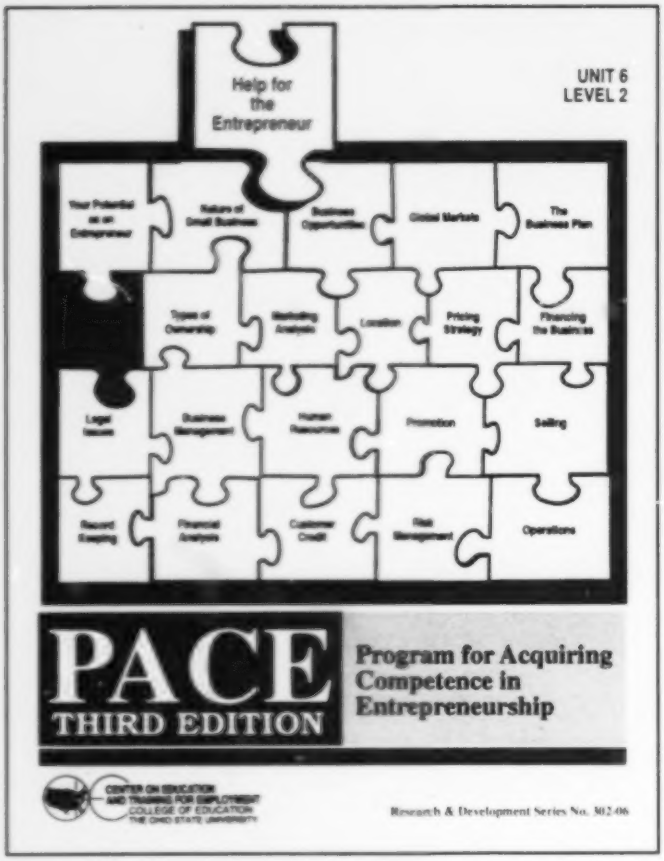

INSTRUCTOR GUIDE

Unit 6

Help for the Entrepreneur

Level 2

Objectives:

- Discuss how entrepreneurs can use technical assistance.
- Identify areas where technical assistance may be needed.
- Identify sources of technical assistance.
- Describe the use of networks.

HOW TO USE PACE

- Use the objectives as a pretest. If a student is able to meet the objectives, ask him or her to read and respond to the assessment questions in the back of the module.
- Duplicate the glossary from the *Resource Guide* to use as a handout.
- Use the teaching outlines provided in the *Instructor Guide* for assistance in focusing your teaching delivery. The left side of each outline page lists objectives with the corresponding headings (margin questions) from the unit. Space is provided for you to add your own suggestions. Try to increase student involvement in as many ways as possible to foster an interactive learning process.
- When your students are ready to do the *Activities*, assist them in selecting those that you feel would be the most beneficial to their growth in entrepreneurship.
- Assess your students on the unit content when they indicate they are ready. You may choose written or verbal assessments according to the situation. Model responses are provided for each module of each unit. While these are suggested responses, others may be equally valid.

CE 067 056

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Objectives	Teaching Suggestions
1. DISCUSS HOW ENTREPRENEURS CAN USE TECHNICAL ASSISTANCE	
Why do entrepreneurs need outside help?	Help students recognize that entrepreneurs should seek technical assistance in areas where they do not have experience or skills. Bring into discussion the rapid technological and economic changes which characterize today's marketplace.
How are technical assistance services organized?	List the four major categories of business operations on a chalkboard or overhead; illustrating how technical assistance can be classified according to these areas.
2. IDENTIFY AREAS WHERE TECHNICAL ASSISTANCE MAY BE NEEDED	
What manufacturing and production assistance is needed?	Lead students in a discussion about which areas of manufacturing can benefit from technical assistance. List these areas on a chalkboard or overhead.
What marketing assistance is needed?	Help students understand the importance of marketing in all businesses. Have students choose one of their favorite brand products and engage in a dialogue on how the company which manufactures that product might use marketing assistance.
What general organization and management help is needed?	Discuss with students the critical need for good organization and management assistance. Stress the fact that entrepreneurs have a tendency to overlook this area.
What financial management help is needed?	Have students engage in a discussion on the importance of financial management assistance. Emphasize that this type of assistance is one of the most needed in businesses.
3. IDENTIFY SOURCES OF TECHNICAL ASSISTANCE	
What technical assistance does the entrepreneur need?	This is the time to wrap up the discussion on sources of technical assistance. Ask questions to test the students' knowledge.

Objectives	Teaching Suggestions
4. DISCUSS THE USE OF NETWORKS What about networking?	The instructor could make an overhead as shown in the text to focus discussion on networking. Ask students for their opinions on other places where networking can be used. Emphasize that networking is a key factor for business success.

MODEL ASSESSMENT RESPONSES

COLUMN A	COLUMN B
Manufacturing and production	Inventory control
Marketing management	Advertising
General organization and management	Human resource policy
Financial management	Tax information

Technical assistance for manufacturing and production can be obtained from professional services, such as management consultants, business associations, and educational institutions.

Marketing assistance is provided by business associations, government agencies, educational institutions, publications, and management consultants.

Business associations, educational institutions, and management consultants offer assistance for general organization and management problems, either for free or for a fee.

Financial assistance is provided by accountants, financial consultants, bankers, government agencies, educational institutions, supplier's credit departments and various publications.

Questionnaire Keys: 1. FALSE, 2. TRUE, 3. TRUE

PACE
THIRD EDITION

Program for Acquiring Competence in Entrepreneurship

Incorporates the needed competencies for creating and operating a small business at three levels of learning, with experiences and outcomes becoming progressively more advanced.

Level 1 — Understanding the creation and operation of a business.
Level 2 — Planning for a business in your future.
Level 3 — Starting and managing your own business.

Self-contained **Student Modules** include: specific objectives, questions supporting the objectives, complete content in form of answers to the questions, case studies, individual activities, group activities, module assessment references. **Instructor Guides** include the full text of each student module and lesson plans, instructional suggestions, and other resources. **PACE, Third Edition, Resource Guide** includes teaching strategies, references, glossary of terms, and a directory of entrepreneurship assistance organizations.

For information on PACE or to order, contact the Publications Department at the
Center on Education and Training for Employment, 1900 Kenny Road, Columbus, Ohio 43210-1090
(614) 292-4353, (800) 848-4815.

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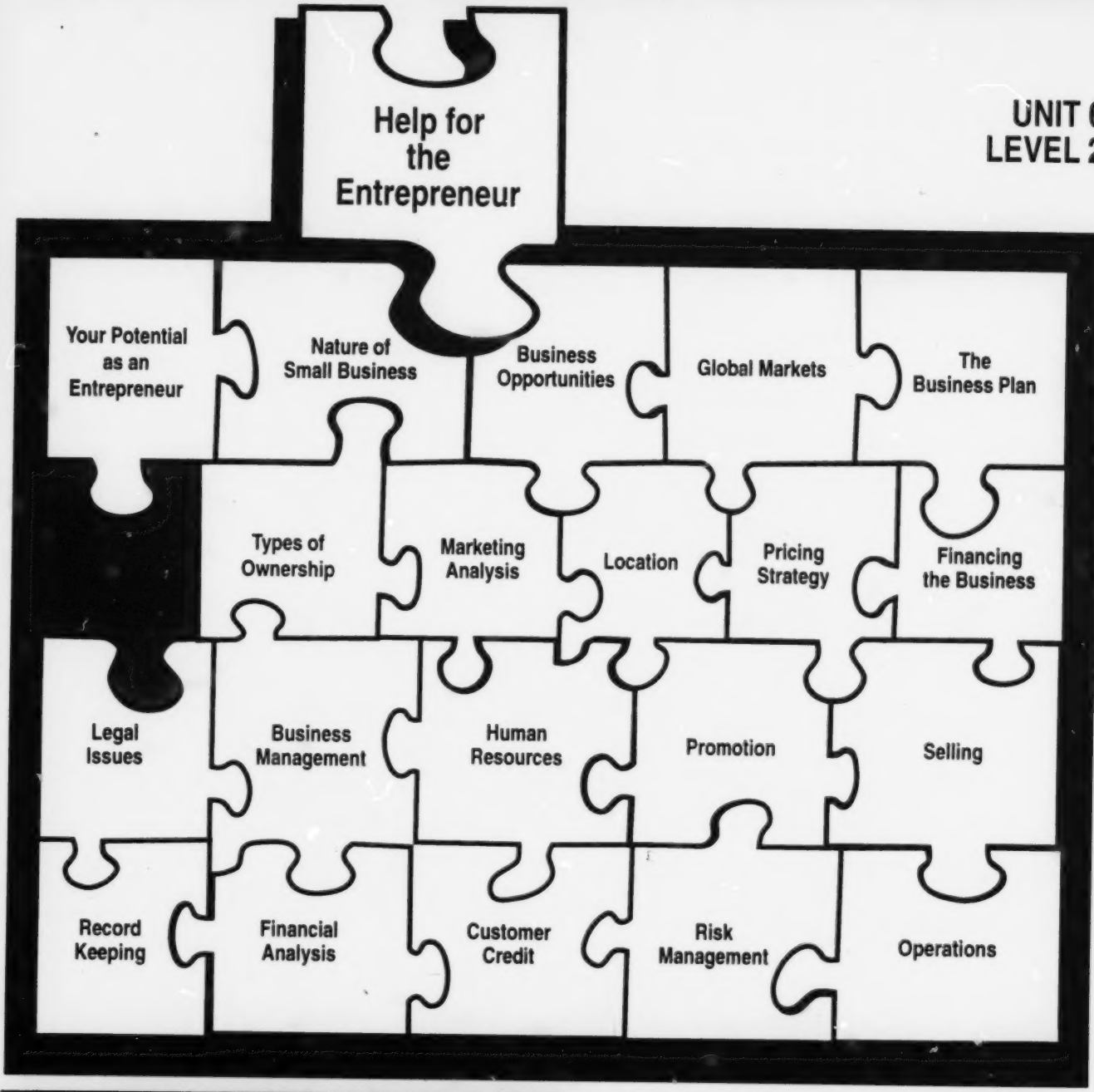
UNIT 6
LEVEL 2



PACE
THIRD EDITION

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CENTER ON EDUCATION
AND TRAINING FOR EMPLOYMENT
COLLEGE OF EDUCATION
THE OHIO STATE UNIVERSITY

Research & Development Series No. 302-06

HELP FOR THE ENTREPRENEUR

BEFORE YOU BEGIN . . .

1. Consult the *Resource Guide* for instructions if this is your first PACE unit.

2. Read What are the Objectives for this Unit on the following page. If you think you can meet these objectives now, consult your instructor.

3. These objectives were met at Level 1:

   - Define technical assistance.
   - Discuss how technical assistance can help the entrepreneur.
   - Identify the types of technical assistance available to the entrepreneur.

4. Look for these business terms as you read this unit. If you need help with the meanings, ask your instructor for a copy of the PACE Glossary contained in the *Resource Guide*.

Cost control
Financial management
Inventory management
Manufacturing and production
Marketing
Marketing research
Materials handling
Networking
Physical distribution
Promotion
Quality control and standards
Suppliers
Systems
Traffic and warehousing

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HELP FOR THE ENTREPRENEUR

WHAT ARE THE OBJECTIVES FOR THIS UNIT?

Upon completion of this unit you will be able to—

- discuss how entrepreneurs can use technical assistance,
- identify areas where technical assistance may be needed,
- identify sources of technical assistance, and
- describe the use of networks.

WHAT IS THIS UNIT ABOUT?

Technical assistance is all about building a winning team. The first step is accepting that you will not be able to do everything and that you probably will need help. This "help" is what is called *technical assistance.*

This unit will help you learn about the kinds of technical assistance most often needed by small business owners. You will also have the opportunity to analyze your own needs for technical assistance and to set up a file of technical assistance sources for your business.

WHY DO ENTREPRENEURS NEED OUTSIDE HELP?

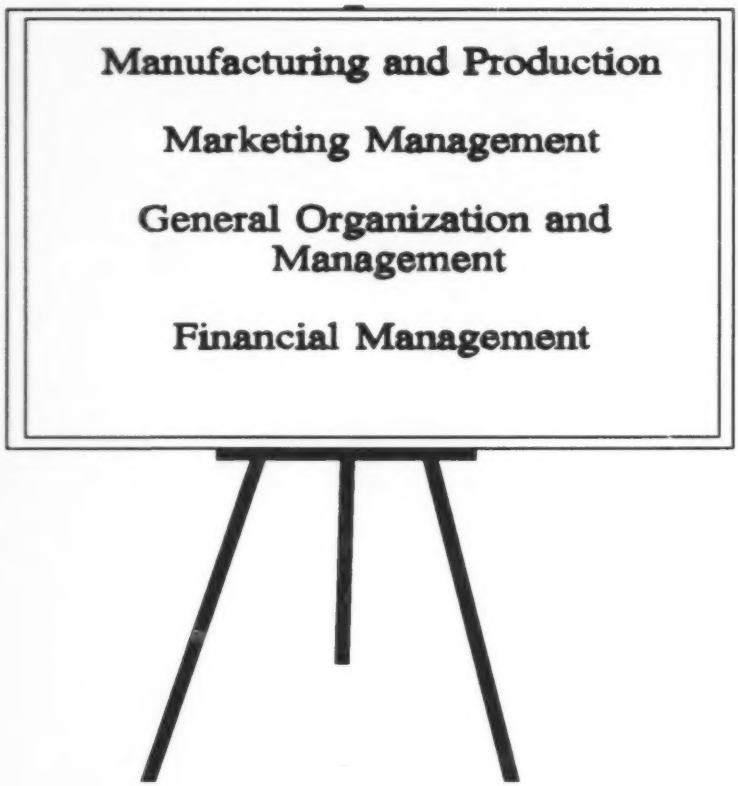
If you were asked to list all of the kinds of technical assistance you might need as an entrepreneur, how many entries would you make? Three? Ten? A hundred?

Actually your list should contain as many types of technical assistance needs as there are tasks you will perform as a small business owner. You cannot expect to know everything about the business owner's job, even if you are an expert in some areas. The job of an entrepreneur is just too complex.

So don't hesitate to say "I don't know." Whatever *you* don't know is known by someone, and that information is available to

you if you just know where to look. You will be able to make use of a great number of technical assistance services once you discover what kinds of help you might need and where you might find help.

- Manufacturing and production
- Marketing management



HOW ARE TECHNICAL ASSISTANCE SERVICES ORGANIZED?

One way to organize technical assistance services is into the four major categories of business operation:

- General organization and management
- Financial management

These four classifications form the major divisions of your technical assistance file. The types of help needed in each area are outlined below and sources of help are suggested.

WHAT MANUFACTURING AND PRODUCTION ASSISTANCE IS NEEDED?

Small manufacturers or producers need assistance that wholesalers or retailers do not need. For example, the owner of a dairy farm may seek assistance related to production methods or standards. If you manufacture souvenirs that you sell to handicraft dealers, you might also need assistance related to production methods or standards.

In both cases, the entrepreneur needs specific skills and experience. Manufacturers and producers in any industry might need assistance in the following areas:

- Product planning or engineering
- Production methods, control, or standards
- Quality control and standards
- Cost control
- Plant location and layout
- Systems management
- Warehousing
- Traffic and transportation
- Materials handling
- Labor and employee relations

Sources of technical assistance for manufacturing and production firms include the following:

- Business associations related to the area of specialization
- Government agencies related to the area of specialization
- Educational institutions with related instruction or research programs
- Professional services such as lawyers, accountants, or technical and management consultants
- Publications related to the area of specialization

WHAT MARKETING ASSISTANCE IS NEEDED?

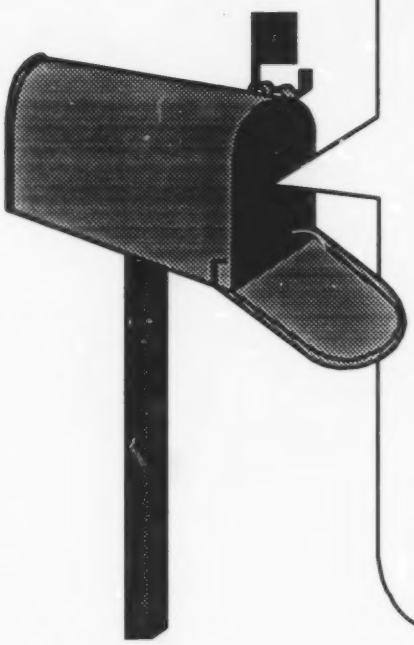
All businesses are related in some way to marketing. Both the manufacturer of souvenirs and the producer of dairy products are concerned with marketing their products. Professionals who sell their services are concerned with marketing. Even "noncommercial" institutions such as hospitals must market their services.

SOURCES OF TECHNICAL ASSISTANCE

- **Business associations**
- **Government agencies**
- **Educational institutions**
- **Professional services (management consultants, buyers, and accountants)**
- **Publications**

The marketing of goods and services is the heart of entrepreneurship. Every business owner who expects to make a profit—manufacturers, producers, brokers, commission merchants, distributors, wholesalers, or retailers—is involved in marketing. Technical assistance for marketing can be classified into the following categories:

- Marketing research
- Marketing strategies
- Purchasing and inventory management
- Pricing
- Physical distribution
- Selling methods
- Promotion
- Packaging
- Traffic and warehousing
- Materials handling



Technical Assistance for Marketing Problems

- Marketing researchers
- Consultants
- Suppliers
- Business associations
- Government agencies
- Educational institutions
- Publications
- Professional services

Sources of technical assistance for marketing problems include the following:

- Marketing researchers
- Consultants for general marketing, advertising, direct mail, packaging, product development, sales promotion, and site selection
- Suppliers
- Business associations
- Government agencies
- Educational institutions
- Publications
- Professional services such as lawyers and accountants

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WHAT GENERAL ORGANIZATION AND MANAGEMENT HELP IS NEEDED?

Every business owner is concerned with providing the best organizational leadership possible. However, not all entrepreneurs have the skills and experience required to accomplish this task.

Statistics show that most businesses fail because of poor management and planning. A world of help exists outside your business to assist you with organization and management tasks. Technical assistance in this area can be classified as follows:

- Designing business systems and procedures for every part of the firm
- Organizational planning and development
- Policy development and management
- Legal structure
- Public relations
- Personnel management and development
- Record keeping
- General administration

Sources of technical assistance for general organization and management problems include the following:

- Business associations
- Government agencies
- Educational institutions
- Professional services, primarily management consultants, buyers, and accountants
- Publications

WHAT FINANCIAL MANAGEMENT HELP IS NEEDED?

The entrepreneur's responsibilities for maintaining the financial health of the firm are listed in a separate category because so much technical assistance is concentrated here. From the time a business is first conceived in the mind of the would-be entrepreneur, throughout the entire process of planning and operating the business, financial matters are critical. Financial matters that often require technical assistance are these:

- Tax management and reporting
- Financial statement preparation and analysis

- Financial planning, budgeting, and control
- Accounting
- Credit and collections
- Capital investment, financing

Sources of technical assistance for financial matters include the following:

- Accounting
- Business associations
- Government agencies
- Educational institutions
- Professional service persons such as bankers, management consultants, accountants, and attorneys
- Supplier's credit departments
- Publications (such as those produced by Dun and Bradstreet and National Cash Register—these provide excellent sources of business and credit data)

Whether the entrepreneur's problem is designing a new product, analyzing the company organization, solving a production engineering difficulty, increasing sales, or developing a business plan, technical assistance *is* available.

WHAT TECHNICAL ASSISTANCE DOES THE ENTREPRENEUR NEED?

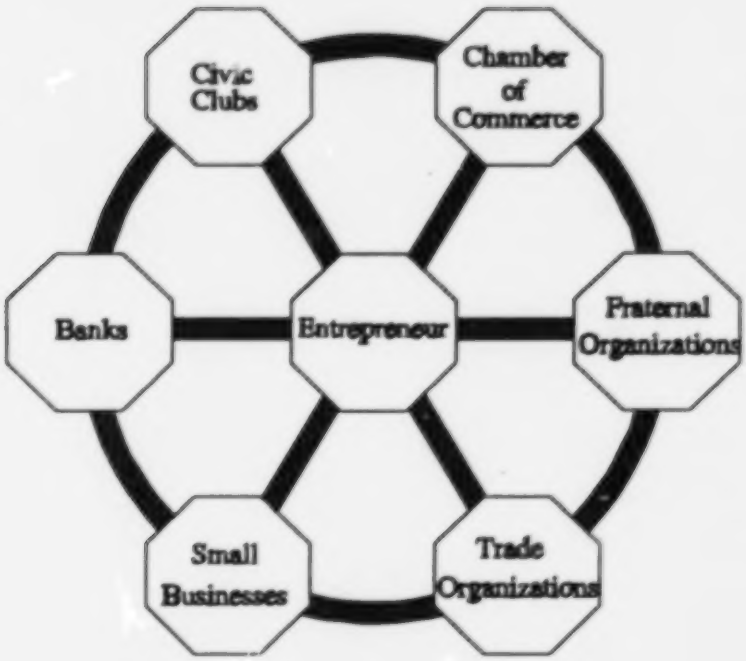
You probably have already achieved a high level of skill and experience in several aspects of running your business. But you have undoubtedly identified some other areas in which you will need to seek technical assistance. Now it is time to consider the help you might need and to organize sources into a file to locate help when you discover problems.

One way to identify your needs is to evaluate your own level of skill and experience for the tasks you must perform in each of the four business operation categories. If you have partners or key subordinates, you should analyze their strengths and weaknesses as well.

Once you have identified the strengths and weaknesses for each business operation category, you should highlight the weaknesses with red ink. The red ink serves as a flag to mark a potential danger area—an area where you should be prepared to seek technical assistance.

WHAT ABOUT NETWORKING?

Networking is the process of developing and engaging in mutually beneficial relationships with peers. As entrepreneurs meet other entrepreneurs they discover common interests and problems. They also find their



exchange of ideas helpful in solving and circumventing problems.

Networking has been around for a long time, but it is relatively new as a business term. It is a very proactive process. In other words, you should take the initiative to make the "first move." An introduction, question, or a casual remark is a good way to start. This is not as easy as it sounds. Our fear of rejection makes us hesitate, and it is this same fear that is a major cause of failure in selling, relationships, and business. You have to cultivate the network, that is keep it open, ongoing, positive, and productive.

Networking can take place in a variety of settings. Some examples are trade associations, civic clubs, fraternal organizations. One of the best places for business owners to network is the local and state offices of the chamber of commerce. Becoming an active member in the local chamber of commerce gives the entrepreneur direct access to influential politicians and business executives who decide on policies that affect commerce in the community and thus affect you and your business. Also, many chambers of commerce provide directories of area corporations, banks, small businesses, and government agencies. Membership in the local chamber of commerce is generally a good investment.

ACTIVITIES

The following activities are designed to help you apply what you have learned in this unit.

INDIVIDUAL ACTIVITY

On page 5 of this unit are listed several forms of marketing *technical assistance*. From this list choose two categories that you would like to learn more about. After you have chosen two categories, go to the section of your school, or local library, that has books on running a small business. Choose several selections that will help you answer the following questions about your chosen *technical assistance* categories:

1. Briefly define your chosen category of *technical assistance*.

2. Why is your chosen category important to the success of a small business?

3. Now that you've established the importance of your categories of *technical assistance*, where would you go to actually secure this type of assistance?

GROUP ACTIVITY

Work in teams of ten to twelve. Each team is issued several pieces of construction paper (white or multi-colored), pencils, ruler, and scissors. Cut the paper to form cards three inches wide by two inches high. This is the approximate size of most business cards. Each member of the team uses his/her imagination to create a business card for a fictitious business. Include the following items on each card:

- Name of company
- Type of business
- Your name

Use creativity with additional information such as a logo or special printing. Once everyone on the team has chosen a "business," the cards should be scrambled in a hat or bowl and each member selects a card. Then the teams will go to separate rooms or different parts of the room to discuss others' businesses and how they might be of help to each other. In other words, they should "network." A discussion, focusing on the impressions of each team's business, should conclude the activity.

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CASE STUDY

Francisco Monteya worked for twelve years and saved his money for the day when he could have his own business. He decided in 1982 that his heart's desire was to operate a game arcade in his home town of Los Angeles.

Frank's work experience is varied. His most recent job was managing a fast-food operation. For a long time, he thought about buying a fast-food franchise, but the computer game craze intrigued him even more. He was dreaming about the game business for himself when a series of misadventures occurred.

One morning Frank struck up a conversation with a fellow who was having breakfast in the restaurant. The man was wearing cowboy clothing and seemed to be a friendly sort. Before he knew it, Frank was caught up in the man's enthusiasm.

The man's name was Bill Johansen. He told Frank about a 20-acre "spread" that he was selling in Oregon. After a few days of extended conversation, Bill had convinced Frank that he should invest his savings in the 20-acre "ranch." He assured Frank that he would be able to get an SBA loan at low interest to set up his amusement store in Anderton, Oregon.

It seemed like a real bonanza to Frank and before he realized what he had done, he had left his family in L.A. and headed for the wide open spaces of Oregon. He had "closed the deal" on the 20 areas before he realized that the land was so eroded that it was good for nothing.

His plans to open the amusement store were ruled out by the town leaders who were "seeking to protect the morals" of their young people. With the low state of the general economy, there was little else to do but get a job as a short order cook.

Now, Frank's family has been forced to move in with his parents in San Jose, California. He has a job picking vegetables on a truck farm nearby. "Everything went sour," says Frank.

DISCUSSION QUESTIONS

1. How could technical assistance have helped Frank in his entrepreneurial venture?

2. What types of technical assistance did Frank need?

ASSESSMENT

Match the following specific types of technical assistance (column A) with the major categories of the business operation (column B). On a separate sheet of paper copy the two columns and draw a line connecting the two you wish to match.

After you have matched the type of technical assistance with the categories of the business operation, state specifically where you would go to seek this particular type of assistance. Use your local telephone directory as a reference.

COLUMN A	COLUMN B
Manufacturing and production	Tax information
Marketing management	Inventory Control
General organization and management	Advertising
Financial management	Human resources policy

Directions:

Read the following statements. To check your own knowledge of these topics, circle TRUE or FALSE and explain your answer in two or three paragraphs. When you feel prepared, ask your instructor to assess your competency.

1. You can expect to know all you need to know about owning your own business.

   TRUE FALSE

2. Networking can be a low budget way to promote your business.

   TRUE FALSE

3. The most efficient way of determining your need for technical assistance is to evaluate your own level of skill and experience and that of your key partners.

   TRUE FALSE

REFERENCES

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PACE

Unit 1. Your Potential as An Entrepreneur
Unit 2. The Nature of the Small Business
Unit 3. Business Opportunities
Unit 4. Global Markets
Unit 5. The Business Plan
⇨ Unit 6. Help for the Entrepreneur
Unit 7. Types of Ownership
Unit 8. Marketing Analysis
Unit 9. Location
Unit 10. Pricing Strategy
Unit 11. Financing the Business
Unit 12. Legal Issues
Unit 13. Business Management
Unit 14. Human Resources
Unit 15. Promotion
Unit 16. Selling
Unit 17. Record Keeping
Unit 18. Financial Analysis
Unit 19. Customer Credit
Unit 20. Risk Management
Unit 21. Operations
Resource Guide
Instructor's Guide

Units on the above entrepreneurship topics are available at the following levels:

* Level 1 helps you understand the creation and operation of a business
* Level 2 prepares you to plan for a business in your future
* Level 3 guides you in starting and managing your own business